

# Wolfson College

Annual Report and Financial Statements

Year ended 31 July 2017

Charity Registration Number: 1141446

# **WOLFSON COLLEGE**

## **Annual Report and Financial Statements**

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# WOLFSON COLLEGE

## Governing Body, Officers and Advisers

Year ended 31 July 2017

### MEMBERS OF THE GOVERNING BODY

The members of the Governing Body present their annual report for the year ended 31 July 2017 under the Charities Act 2011 together with the audited financial statements of the year.

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Abramsky, Prof Samson											
Andersson, Prof Ruben											
Austyn, Prof Jonathan											
Aveyard, Prof Paul										X	
Bangha, Dr Imre								X			
Banks, Prof Marcus		X	X	X	X	X		X		X	X
Barrett, Prof Jonathan						X					
Benson, Dr James									X		
Boehmer, Prof Elleke									X		
Brown, Prof Harvey	To 30/9/17										
Cannon, Ms Catriona					X						
Chappell, Prof Michael								X			
Charters, Dr Erica		X				X					
Cluver, Prof Lucie											
Coecke, Prof Bob											
Conner, Mr William		X		X							
Costa, Prof Matthew						X					
Curtis, Prof Julie		X									
Czaika, Prof Mathias	To 31/8/17										
Dahl, Prof Jacob		X				X	X			X	
De Melo, Prof Wolfgang											
Deighton, Prof Anne	To 30/9/16										
DeLaine, Prof Janet											
Eastham, Ms Emily	From 26/6/17	X	X	X	X	X				X	
Fellerer, Prof Jan											
Galligan, Prof Denis	To 30/9/17										
Gardner, Prof Frances											
George, Prof Alain	From 1/10/17										
Giustino, Prof Feliciano											
Goodman, Prof Martin		X			X	X	X				
Hamnett, Ms Gillian	To 31/3/17										
Harrison, Prof Paul											
Howgego, Prof Christopher			X	X							
Jarvis, Prof Paul											
Johns, Professor Jeremy		X				X					
Jones, Dr Geraint								X			
Lange, Prof Bettina											
Lee, Prof Hermione	To 30/9/17										
Lewis, Dr James			X					X			
Mathur, Dr Nayanika	From 1/10/17										
McCartney, Prof Matthew					X	X		X			
McKenna, Prof Gillies											
Morin, Mr Richard		X	X	X	X	X	X	X		X	X
Nissen-Meyer, Prof Tarje											
Pila, Prof Jonathan							X				

## WOLFSON COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2017

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Probert, Prof Philomen		X	X	X	X	X	X	X		X	
Rawlins, Prof Nicholas	To 30/9/17										
Redfield, Prof Christina					X						X
Rice, Dr Ellen					X						
Rickaby, Prof Rosalind						X					
Riede, Prof Moritz										X	
Roberts, Prof Paul						X					
Roesler, Prof Ulrike											
Schulting, Prof Rick											
Stewart, Dr Peter									X		
Sud, Prof Nikita		X									
Taylor, Prof David											
Vedral, Prof Vlatko											
Ventresca, Prof Marc									X		
Vevaina, Dr Yuhan	From 1/10/17										
Watson, Prof Oliver	To 30/9/16										
Wells, Prof Andrew										X	
Wolff, Prof Jonathan											
Woodruff, Prof Christopher											
Yurekli-Gorkay, Prof Zeynep		X				X					

In addition, Andrew Neil was elected as an Extraordinary Fellow, and therefore a Governing Body member, from 31 March 2017 until 6 July 2017. This was in the period that he held the post of Acting Senior Tutor.

During the year the activities of the Governing Body were carried out through the 10 main committees listed below. The current membership of these committees is shown above for each Fellow.

1. General Purposes Committee
2. Finance Committee
3. Investment Committee
4. Academic Committee
5. Fellowships & Membership Committee
6. Remuneration & Personnel Committee
7. Domestic & Premises Committee
8. Audit Committee
9. Nominating Committee
10. Social & Cultural Committee

A Conflict of Interest Committee is responsible for reviewing the Governing Body's decisions in order to identify any conflicts of interest. It also keeps under review the College's conflict of interest policies and makes suggestions to the Governing Body for the improvement of the awareness of Trustees and the development of related procedures.

## **WOLFSON COLLEGE**

### **Governing Body, Officers and Advisers**

**Year ended 31 July 2017**

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#### **COLLEGE SENIOR STAFF**

The senior staff of the College (the College Officers) to whom day-to-day management was delegated in the year was as follows:

President	Professor Dame Hermione Lee
Vicegerent	Professor Philomen Probert
Bursar	Mr Richard Morin
Senior Tutor	Ms Gillian Hamnett (to 31/3/17) Professor Andrew Neil (Acting Senior Tutor 1/4/17 to 25/6/17) Ms Emily Eastham (from 26/6/17)
Development Director	Mr William Conner

#### **COLLEGE ADVISERS**

##### **Investment Managers**

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU  
OU Endowment Management, King Charles House, Park End Street, Oxford, OX1 1JD  
Charities Property Fund, Cordea Savills, Lansdowne House, 57 Berkeley Square, London, W1J 6ER

##### **Investment Property Managers**

T W Gaze LLP, 10 Market Hill, Diss, Norfolk, IP22 4WJ  
Savills, 2 Mayfield House, 256 Banbury Road, Summertown, Oxford, OX2 7DE

##### **Personnel and Health & Safety Advisers**

Peninsula Business Services, 2 Cheetham Hill Road, Manchester, M4 4FB

##### **Auditors**

Wells, 8 King Edward Street, Oxford, OX1 4HL

##### **Bankers**

Barclays Bank PLC, Wytham Court, 11 West Way, Oxford, OX2 0JB

##### **Solicitors**

Penningtons Manches LLP, 9400 Garsington Road, Oxford Business Park, Oxford, OX4 2HN

##### **College address**

Wolfson College, Linton Road, Oxford, OX2 6UD.

##### **Website**

[www.wolfson.ox.ac.uk](http://www.wolfson.ox.ac.uk)

# **WOLFSON COLLEGE**

## **Report of the Governing Body**

**Year ended 31 July 2017**

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The Members of the Governing Body present their Annual Report for the year ended 31 July 2017 under the Charities Act 2011 together with the audited financial statements for the year.

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

Wolfson College in the University of Oxford is an eleemosynary chartered charitable corporation aggregate. It was founded by decree of the Congregation of Oxford University on 26 July 1966.

The College registered with the Charity Commission on 14 April 2011 (registered number 1141446).

The names of all Members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 4.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Documents**

The College is governed by its Royal Charter and Statutes dated 15 January 1981.

#### **Governing Body**

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the High Steward of The University of Oxford. The Governing Body is self-appointing.

New members of the Governing Body are elected on the basis of academic standing, position within the University of Oxford and suitability as decided by the Governing Body.

The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the President and is advised by ten main committees.

#### **Recruitment and Training of Members of the Governing Body**

New Members of the Governing Body are recruited on the basis of a consideration of suitability by the Fellowships and Membership Committee, formal interview and election at a meeting of the full Governing Body. They are inducted into the workings of the College, including Governing Body policy and procedures, by means of an introductory meeting with the President and provision of the Charities Commission "Essential Trustee" guide making them aware of their responsibilities as trustees. Members of the Governing Body are able to attend external trustee training and information courses to keep them informed on current issues in the sector and on regulatory requirements.

#### **Remuneration of Members of the Governing Body and Senior College Staff**

Members of the Governing Body are Fellows with teaching and research employment at the College or University and receive a small academic stipend to support their work for the College. Those trustees that are also employees of the College receive remuneration for their work as employees of the College that is set based on the advice of the College's Remuneration and Personnel Committee, members of which include Fellows not in receipt of remuneration from the College. Where possible, remuneration is set in line with that awarded to the University's academic staff, and in 2016, the Governing Body agreed that all future cost of living pay increases for the fellows, trustees and staff would be set in line with that awarded by the University.

# **WOLFSON COLLEGE**

## **Report of the Governing Body**

**Year ended 31 July 2017**

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### **Organisational Management**

The Governing Body convenes at least six times a year. The President or Vicegerent can call additional meetings of the Governing Body. The ten main Committees referred to above carry out the work of developing the Governing Body's policies and monitoring the implementation of these. The day-to-day running of the College is delegated to the College Officers, who attend all meetings of the Governing Body and who are members of the main Committees as indicated above. The actions of the Governing Body are monitored by a separate Conflict of Interest Committee comprising College members who are not Governing Body Fellows or Trustees.

### **Group Structure and Relationships**

The College also administers a number special trusts, as shown in the funds note to the financial statements.

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship.

## **OBJECTIVES AND ACTIVITIES**

### **Charitable Objects and Aims**

According to our Statutes "The College is incorporated for the furtherance of learning and education and to be a College wherein men and women may carry out advanced study or research". In order to do this the College sets specific objectives around the admission of students, number of scholarships awarded and the educational provision it offers.

The Governing Body has considered the Charity Commission's guidance on public benefit and, in keeping with its objects, the College's aims and activities for the public benefit are set out below.

### **Public Benefit**

The College provides, in conjunction with the University of Oxford, academic and pastoral support for some 650 graduate students which is recognised internationally as being of the highest standard. This develops students academically and advances their leadership qualities and communication skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

- pastoral, administrative and academic support through its advisory and graduate mentoring systems;
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances research through:

- providing Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics from abroad; and
- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means and the establishment of "academic clusters" in a variety of specialist disciplines.

## **WOLFSON COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2017**

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The College maintains an extensive Library and art collection (including important special collections), so providing a valuable resource for students and Fellows of the College, members of other Colleges and the University of Oxford more widely, external scholars and researchers, and the public through regular exhibitions.

#### **Strategy for Achieving Aims**

The College's strategy for achieving these aims is to protect and grow the existing endowment, and maximise the return from endowment in order to invest in supporting students and fellows in their endeavours.

The College has a Development Office, which seeks to raise funds for the College, which combined with the income generated from the endowment, provides funds to invest in its charitable aims, including the maintenance and creation of scholarships and bursaries and the funding of events and activities both to support students and fellows pastorally as well as academically.

The College seeks to maintain and develop its first-class environment and facilities, and to recruit and support the very best staff, who are committed to the College's charitable aims.

The College assesses its success through the number of students that it is able to support, the success that they achieve in their endeavours, and the feedback that the College receives from students and researchers on the facilities and pastoral support that they receive whilst at the College. The College also measures its success in protecting and growing the endowment through its investment policies.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Admission of Students**

The College target for the academic year 2016/2017 was in the region of 200 new students and 227 students joined in the College in October 2016. Key statistics were as follows:

- 57% of these students were in the Humanities and Social Sciences.
- 95% of new students were studying full time programmes.
- 55% of students were enrolled onto research degrees, which is a slight increase on the previous year, and is in line with the College strategy of increasing the proportion of students reading for research degrees from 42% in 2012.
- 35% of students had expressed a preference to study at the College (rather than having applied to another College and then been reallocated to Wolfson). This figure has fluctuated over the years but is an improvement on the 2013 figure of 29%.
- Wolfson has a diverse international community of scholars reading for a wide variety of degrees. We use statistics provided by the University of Oxford Graduate Admissions Office to compare ourselves to the overall University intake of graduate students. 70 different nationalities are represented amongst the 2016/2017 cohort.
- There were equal numbers of students identifying as male and female in 2016 and that figure has been relatively stable over the past few years.
- 65% of incoming students were housed in College accommodation.



## **WOLFSON COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2017**

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#### **Scholarships and Financial Provision**

47% of the 2016 cohort were in receipt of some form of grant funding. 7% of the student body have a Wolfson scholarship and we are continuing to strive to increase the number of scholarships offered further. In addition to scholarships, Wolfson also provides College Fee Bursaries, Travel Grants (for attending conferences or undertaking fieldwork) and support for students who need to undertake language courses for their studies. The College also made grants to a number of students in financial hardship due to unforeseeable circumstances.

#### **Educational Provision**

Students have been making use of the refurbished and extended College library (completed in 2016) and individual study carrels are in regular use.

#### **Lectures and Seminars**

As part of our goal to further education and learning, the College has seven research clusters which promote the study of specific subjects: The Ancient World Cluster; The Digital Research Cluster; Law, Justice and Society at Wolfson; Oxford Centre for Life-Writing; Quantum Foundations Research Cluster; South Asia Research Cluster; and The Tibetan and Himalayan Studies Centre. Each Cluster has been very active with events including lectures, seminars and conferences. Many also offer scholarships and research grants to Wolfson members undertaking projects in relevant areas.

The College funds members who wish to hold academic events at Wolfson. To meet the requirements of the government's PREVENT strategy, we have agreed policies concerning free speech (in the context of lectures and other academic events), and also a monitoring process to ensure that no proposed speaker or event is associated with a proscribed (terrorist) organisation.

We are an open and inclusive environment, and many of our academic events are open to the general public. Our academic activities have continued to attract broad audiences, from within the College, University and beyond. High profile speakers for the College's Named Lecture series this year included Mr William Dalrymple, Professor Mary Beard, Professor Raymond Pierrehumbert and Professor Galen Strawson. The College considers such high-profile events to be an important part of our outreach and community activities.

#### **Development and Alumni Relations**

The focus of the Development and Alumni Relations department continues to be seeking support for scholarships, fellowships and research projects. In 2016/17 we saw a slight reduction in the number of alumni givers in part due to new restrictions on how we manage our data and who we can contact. The peak of enthusiasm generated around the 50<sup>th</sup> anniversary also passed and is perhaps a contributing factor in the fall off in alumni givers. Legacies continue to be important to the College. The Geoffrey Garton Legacy will add £1 million to the College endowment to support a gardener, the creative artist fellowship and other arts-focussed initiatives. Notice was received of other legacies about which more will be known in due course. The Development and Alumni Relations department oversees the College's ongoing stewardship of alumni relations around the world and specifically supports looking after the several dozen high value donor relationships the College has developed since the establishment of the office in 2008.

## **WOLFSON COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2017**

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#### **FINANCIAL REVIEW**

As shown in the Statement of Financial Activities, total incoming resources for the year amounted to £8.3 million. This included donations and legacies amounting to £1.9 million, and investment income amounting to £1.1 million, as well as College operating income. Of the donations and legacies, £1.2 million related to endowment gifts where the capital will be preserved rather than spent.

Expenditure of £7.6 million was primarily in direct support of the running of the College in line with the objectives and activities outlined above, but also included fundraising costs, trading costs and investment management costs, all in relation to income generation to fund College activities.

Investment gains in the year amounted to £4.9 million. The overall net movement in funds (including all investment gains and endowment gifts) amounted to a positive £5.6 million.

A pension deficit provision of £0.9 million remains on the balance sheet. This represents the present value of the estimated future funding deficit in relation to the College's participation in the University Superannuation Scheme (£0.3 million) and the Oxford Staff Pension Scheme (£0.6 million).

#### **Reserves Policy**

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall and to allow the College to be managed efficiently and to provide a buffer that would ensure uninterrupted services.

Total funds of the College at the year-end amounted to £74.2 million (2016: £68.6 million). This includes endowment capital of £43.6 million and unspent restricted income funds totalling £2.8 million. Free reserves at the year-end amounted to £5.6 million, representing retained unrestricted income reserves excluding an amount of £20.0 million for the book value of tangible fixed assets, funds designated at the year-end amounting to £3.1 million and the pension reserve negative fund amounting to £0.9 million.

Designated reserves at the year-end included £2.7 million as capital to support scholarships and £0.3 million of Common Room funds.

## WOLFSON COLLEGE

### Report of the Governing Body

Year ended 31 July 2017

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#### Risk Management

The College engages in risk assessment on an ongoing basis. When it is not able to address risk issues using internal resources, the College takes advice from external experts. The relevant College Committees review policies and procedures within the College. The Finance and Investment Committees assess financial and investment risks. Training courses and other forms of career development are available to members of staff to enhance their skills in risk-related areas.

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have given consideration to the major risks to which the College and its subsidiaries are exposed and have concluded that adequate systems are in place to manage these risks. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed. Principal risks and uncertainties faced by the College include the following:

Risk or uncertainty	Strategies for managing
Poor investment performance affecting income available to spend	Regular Investment Committee review, including monitoring of brokers' performance. Long-term view maintained and drawdown rates set on rolling averages to smooth peaks and troughs.
Employer pension rates and other non-discretionary costs increase out of line with income	Close control of budgets and other financial planning to anticipate changes and ensure timely decision-making.
Fall in recruitment and retention of top quality students and academic fellows	Maintaining and improving financial support for students. Enhancing academic activities and support, and ensuring these are well publicised.

## **WOLFSON COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2017**

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#### **Investment Policy, Objectives and Performance**

The College's investment objectives are to balance current and future beneficiary needs by:

- maintaining (at least) the value of the investments in real terms;
- producing a consistent and sustainable amount to support expenditure; and
- delivering these objectives within acceptable levels of risk.

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return.

The Governing Body, as advised by the Investment Committee from time to time, sets the investment policy and strategy. The Investment Committee also regularly monitors performance. At the year end, the College's long term investments, combining the securities and property investments, totalled £52.7 million. Investment income in the year amounted to £1.1 million and investment gains amounted to £4.9 million.

It is the Governing Body's policy to grow the College's investments by a minimum of 4% per annum, of which it will extract as income no more than 3% (plus costs) of the value of the relevant investments. The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

#### **FUTURE PLANS**

The College's future plans as agreed by the Governing Body are set out in the College Development Plan.

The core elements of this are:

- To continue to expand the College's already vibrant range of academic and cultural activities, including Graduate Student-led seminars, President's Seminars, Research Fellows' activities and Governing Body lectures. It will also continue its programme of concerts and art exhibitions, reading group meetings, lecture series, workshops and conferences brought to Wolfson by its Fellows, as well as regular named lectures of distinction and high-profile visitors.
- To provide the highest level of accommodation and facilities for its Fellows, Graduate Students, Common Room Members and Staff.
- To increase the financial support available to Graduate Students and academic activities within the College.
- To remain at the current level of graduate student numbers.

## **WOLFSON COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2017**

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#### **STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES**

The Governing Body is responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Charity law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body have prepared the financial statements in accordance United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net income or expenditure for that period. In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 29 November 2017 and signed on its behalf by:

Philomen Probert

Acting President (from 1 October 2017)

## **WOLFSON COLLEGE**

### **Report of the Auditor to the Members of the Governing Body of Wolfson College**

We have audited the financial statements of Wolfson College for the year ended 31 July 2017 which comprise the Statement of Accounting Policies, the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 28.

This report is made solely to the College's Governing Body in accordance with sections 144 and 151 of the Charities Act 2011 and regulation made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and its Governing Body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Governing Body and auditor**

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements.

We read all the information in the Report of the Governing Body to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 July 2017 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Governing Body is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Wellers

Statutory Auditor

8 King Edward Street, Oxford, OX1 4HL

Date:

Wellers is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# **WOLFSON COLLEGE**

## **Statement of Accounting Policies**

**Year ended 31 July 2017**

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### **1. Scope of the financial statements**

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows for the College and its wholly owned subsidiary Wolfson College Developments Limited. No separate SOFA has been presented for the College alone as currently permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and its subsidiary for the reporting year are in note 12.

### **2. Basis of accounting**

The College's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The College is a public benefit entity for the purposes of FRS 102 and a registered charity. The College has therefore also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the Statement of Financial Activities (SOFA). The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

### **3. Accounting judgements and estimation uncertainty**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Governing Body to have most significant effect on amounts recognised in the financial statements.

The College carries investment property at fair value in the balance sheet, with changes in fair value being recognised in the income and expenditure section of the SOFA. Independent valuations are obtained periodically to determine fair value at the balance sheet date.

Estimates and assumptions are also required in the calculation of the pension recovery plan deficit (accounting policy number 14) and rates of depreciation of fixed assets (accounting policy number 8).

In the view of the Governing Body, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

### **4. Income recognition**

All income is recognised once the College has entitlement to the income, the economic benefit is probable and the amount can be reliably measured, as listed below:

#### **a. Income from fees, HEFCE support and other charges for services**

Fees receivable, less any scholarships, bursaries or other allowances granted from the College unrestricted funds, HEFCE support and charges for services and use of the premises are recognised in the period in which the related service is provided.

#### **b. Income from donations, grants and legacies**

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the charity has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are

# **WOLFSON COLLEGE**

## **Statement of Accounting Policies**

**Year ended 31 July 2017**

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met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

Legacies are recognised following grant of probate and once the College has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable.

Donations, grants and legacies accruing for the general purposes of the College are credited to unrestricted funds.

Donations, grants and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

### **c. Investment income**

Interest on bank balances is accounted for on an accrual basis with interest recognised in the period to which the interest relates.

Income from fixed interest debt securities is recognised using the effective interest rate method.

Dividend income and similar distributions are recognised on the date the share interest becomes ex-dividend or when the right to the dividend can be established.

Income from investment properties is recognised in the period to which the rental income relates.

## **5. Expenditure**

Expenditure is accounted for on an accruals basis. A liability and related expenditure is recognised when a legal or constructive obligation commits the College to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.

Grants awarded that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the Statement of Financial Activities (the SOFA).

Support costs, which include governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs, are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

## **6. Leases**

Leases of assets that transfer substantially all the risks and rewards of ownership are classified as finance leases. The costs of the assets held under finance leases are included within fixed assets and depreciation is charged over the shorter of the lease term and the assets' useful lives. Assets are assessed for impairment at each reporting date. The corresponding capital obligations under these leases are shown as liabilities and recognised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Lease payments are apportioned between capital repayment and finance charges in the SOFA so as to achieve a constant rate of interest on the remaining balance of the liability.



# WOLFSON COLLEGE

## Statement of Accounting Policies

Year ended 31 July 2017

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Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged in the SOFA on a straight line basis over the relevant lease terms. Any lease incentives are recognised over the lease term on a straight line basis.

### 7. Tangible fixed assets

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £25,000 together with expenditure on equipment costing more than £1,000 is capitalised.

Where a part of a building or equipment is replaced and the costs capitalised, the carrying value of those parts replaced is derecognised and expensed in the SOFA.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the SOFA as incurred.

### 8. Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Freehold properties, including major extensions	50 years
Building improvements	10 - 30 years
Equipment	4 - 20 years

Freehold land is not depreciated. The cost of maintenance is charged in the SOFA in the period in which it is incurred.

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

### 9. Investments

Investment properties are initially recognised at their cost and subsequently measured at their market value at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs.

Investments such as hedge funds and private equity funds which have no readily identifiable market value are initially measured at their costs and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair value is based on the most recent valuations available from their respective fund managers.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the SOFA as 'gains or losses on investments' and are allocated to the fund holding or disposing of the relevant investment.

# **WOLFSON COLLEGE**

## **Statement of Accounting Policies**

**Year ended 31 July 2017**

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### **10. Other Financial Instruments**

#### **a. Cash and cash equivalents**

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

#### **b. Debtors and creditors**

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

### **11. Stocks**

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

### **12. Foreign currencies**

The functional and presentation currency of the College and its subsidiaries is the pound sterling.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date.

### **13. Total Return investment accounting**

The College statutes authorise the College to adopt a 'total return' basis for the investment of its permanent endowment. The College can invest its permanent endowments without regard to the capital/income distinctions of standard trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can be either retained for investment or released to income at the discretion of the Governing Body.

### **13. Fund accounting**

The total funds of the College and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the terms set by the donors or set by the terms of an appeal. Endowment funds are further sub-divided into permanent and expendable.

Unrestricted funds can be used in furtherance of the objects of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds.

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the College. They consist of either gifts where the donor has specified that both the capital and any income arising must be used for the purposes given or the income on gifts where the donor has required or permitted the capital to be maintained and with the intention that the income will be used for specific purposes within the College's objects.

Permanent endowment funds arise where donors specify that the funds are to be retained as capital for the permanent benefit of the College. Any part of the total return arising from the capital that is allocated to income will be accounted for as unrestricted funds unless the donor has placed restrictions on the use of that income, in which case it will be accounted for as a restricted fund.

Expendable endowment funds are similar to permanent endowment in that they have been given, or the College has determined based on the circumstances that they have been given, for the long term benefit of the College. However, the Governing Body may at their discretion determine to spend all or part of the capital.

# **WOLFSON COLLEGE**

## **Statement of Accounting Policies**

**Year ended 31 July 2017**

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### **14. Pension costs**

The costs of retirement benefits provided to employees of the College through two multi-employer defined pension schemes are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The College's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

In addition, a liability is recognised at the balance sheet date for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

**Wolfson College**  
**Statement of Financial Activities**  
**For the year ended 31 July 2017**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2017 Total £'000	2016 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable activities</b>						
Teaching, research and residential	1	4,789	-	-	<b>4,789</b>	4,515
<b>Other trading income</b>	3	498	-	-	<b>498</b>	504
<b>Donations and legacies</b>	2	79	663	1,177	<b>1,919</b>	2,330
<b>Investments</b>						
Investment income	4	413	-	647	<b>1,060</b>	1,220
Total return allocated to income		845	77	(922)	-	-
<b>Other income</b>		58	-	-	<b>58</b>	37
<b>Total income</b>		<b>6,682</b>	<b>740</b>	<b>902</b>	<b>8,324</b>	8,606
<b>EXPENDITURE ON:</b>						
<b>Charitable activities</b>	5					
Teaching, research and residential		6,095	607	-	<b>6,702</b>	6,093
<b>Generating funds</b>	5					
Fundraising		281	-	-	<b>281</b>	342
Trading expenditure		426	-	-	<b>426</b>	544
Investment management costs		191	-	-	<b>191</b>	203
<b>Total expenditure</b>		<b>6,993</b>	<b>607</b>	<b>-</b>	<b>7,600</b>	7,182
<b>Net income/(expenditure) before gains</b>		(311)	133	902	<b>724</b>	1,424
Net gains/(losses) on investments	10,11	971	-	3,884	<b>4,855</b>	1,068
<b>Net income/(expenditure)</b>		<b>660</b>	<b>133</b>	<b>4,786</b>	<b>5,579</b>	2,492
<b>Transfers between funds</b>	16	(50)	47	3	-	-
<b>Other recognised gains/losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	15
<b>Net movement in funds for the year</b>		<b>610</b>	<b>180</b>	<b>4,789</b>	<b>5,579</b>	2,507
Fund balances brought forward	16	27,175	2,605	38,821	<b>68,601</b>	66,094
<b>Funds carried forward at 31 July</b>	16	<b>27,785</b>	<b>2,785</b>	<b>43,610</b>	<b>74,180</b>	68,601

**Wolfson College**  
**Balance Sheet**  
**For the year ended 31 July 2017**

	Notes	2017 £'000	2016 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	19,989	20,665
Property investments	10	11,436	11,529
Other investments	11	41,230	33,352
<b>Total fixed assets</b>		<b>72,655</b>	<b>65,546</b>
<b>CURRENT ASSETS</b>			
Stocks		166	130
Debtors	14	1,264	623
Cash at bank and in hand		1,947	4,852
<b>Total current assets</b>		<b>3,377</b>	<b>5,605</b>
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	15	961	1,670
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>2,416</b>	<b>3,935</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>75,071</b>	<b>69,481</b>
<b>Provisions for liabilities and charges</b>		<b>-</b>	<b>-</b>
<b>NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY</b>		<b>75,071</b>	<b>69,481</b>
Defined benefit pension scheme liability	20	891	880
<b>TOTAL NET ASSETS/(LIABILITIES)</b>		<b>74,180</b>	<b>68,601</b>
<b>FUNDS OF THE COLLEGE</b>			
	16		
<b>Endowment funds</b>		<b>43,610</b>	<b>38,821</b>
<b>Restricted funds</b>		<b>2,785</b>	<b>2,605</b>
<b>Unrestricted funds</b>			
Designated funds		23,079	12,037
General funds		5,597	16,018
Pension reserve		(891)	(880)
		<b>74,180</b>	<b>68,601</b>

The financial statements were approved and authorised for issue by the Governing Body of Wolfson College on 29 November 2017

Philomen Probert  
Acting President

Richard Morin  
Bursar

**Wolfson College**  
**Cash Flow Statement**  
**For the year ended 31 July 2017**

	<b>Notes</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
<b>Net cash provided by (used in) operating activities</b>	23	<b>(1,621)</b>	<b>324</b>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		1,060	1,220
Purchase of property, plant and equipment		(205)	(3,131)
Proceeds from sales of investments		863	10,641
Purchase of investments		(3,793)	(8,311)
<b>Net cash provided by (used in) investing activities</b>		<b>(2,075)</b>	<b>419</b>
<b>Cash flows from financing activities</b>			
Receipt of endowment		1,177	657
Finance costs paid		(30)	
<b>Net cash provided by (used in) financing activities</b>		<b>1,147</b>	<b>657</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(2,549)</b>	<b>1,400</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>4,496</b>	<b>3,096</b>
<b>Change in cash and cash equivalents due to exchange rate movements</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	24	<b>1,947</b>	<b>4,496</b>

**Wolfson College**  
**Notes to the financial statements**  
**For the year ended 31 July 2017**

**1 INCOME FROM CHARITABLE ACTIVITIES**

	<b>2017</b>	2016
	<b>Total</b>	Total
	<b>£'000</b>	£'000
<b>Teaching, research and residential</b>		
<i>Unrestricted funds</i>		
Tuition fees - UK and EU students	<b>582</b>	777
Tuition fees - Overseas students	<b>728</b>	540
Other HEFCE support	<b>65</b>	57
Other academic income	<b>507</b>	450
College residential income	<b>2,907</b>	2,691
	<b>4,789</b>	4,515

The above analysis includes £126k received from the University of Oxford from publicly accountable funds under the College Funding Formula (2016: £127k).

**2 DONATIONS AND LEGACIES**

	<b>2017</b>	2016
	<b>£'000</b>	£'000
<b>Donations and legacies</b>		
<i>Unrestricted funds</i>	<b>79</b>	109
<i>Restricted funds</i>	<b>663</b>	1,564
<i>Endowed funds</i>	<b>1,177</b>	657
	<b>1,919</b>	2,330

**3 INCOME FROM OTHER TRADING ACTIVITIES**

	<b>2017</b>	2016
	<b>£'000</b>	£'000
<i>Unrestricted funds</i>		
Other trading income	<b>498</b>	504

**4 INVESTMENT INCOME**

	<b>2017</b>	2016
	<b>Total</b>	Total
	<b>£'000</b>	£'000
<i>Unrestricted funds</i>		
Agricultural rent	<b>21</b>	39
Commercial rent	<b>143</b>	360
Other property income	<b>28</b>	73
Equity dividends	<b>133</b>	237
Income from fixed interest stocks	<b>21</b>	39
Interest on fixed term deposits and cash	<b>25</b>	26
Other investment income	<b>42</b>	-
	<b>413</b>	774
<i>Endowed funds</i>		
Other property income	<b>82</b>	93
Equity dividends	<b>382</b>	304
Income from fixed interest stocks	<b>61</b>	49
Other investment income	<b>122</b>	-
	<b>647</b>	446
<b>Total investment income</b>	<b>1,060</b>	1,220

**Wolfson College**  
**Notes to the financial statements**  
**For the year ended 31 July 2017**

**5 ANALYSIS OF EXPENDITURE**

	<b>2017</b>	2016
	<b>£'000</b>	£'000
<b>Charitable expenditure - Teaching, research and residential</b>		
Direct staff costs	<b>2,379</b>	2,065
Other direct costs	<b>2,495</b>	2,396
Support and governance costs	<b>1,828</b>	1,632
<b>Total charitable expenditure</b>	<b>6,702</b>	6,093
<b>Expenditure on raising funds</b>		
Direct staff costs allocated to:		
Fundraising	<b>190</b>	220
Trading expenditure	<b>239</b>	268
Investment management costs	-	-
Other direct costs allocated to:		
Fundraising	<b>69</b>	88
Trading expenditure	<b>150</b>	192
Investment management costs	<b>187</b>	193
Support and governance costs allocated to:		
Fundraising	<b>22</b>	34
Trading expenditure	<b>37</b>	84
Investment management costs	<b>4</b>	10
<b>Total expenditure on raising funds</b>	<b>898</b>	1,089
<b>Total expenditure</b>	<b>7,600</b>	7,182

The 2016 total expenditure of £7,182k represented £6,752k from unrestricted funds, £430k from restricted funds and £0k from endowed funds.

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contribution is calculated annually in accordance with regulations made by the Council of the University of Oxford. The teaching, research and residential costs include College Contribution payable of £0k (2016: £6k).



**Wolfson College**  
**Notes to the financial statements**  
**For the year ended 31 July 2017**

**6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

**2017**

	Generating Funds £'000	Teaching, Research & Residential £'000	<b>2017 Total £'000</b>
Financial administration	41	330	<b>371</b>
Domestic administration	18	282	<b>300</b>
Human resources	-	74	<b>74</b>
IT	4	217	<b>221</b>
Depreciation	-	875	<b>875</b>
Other finance charges	-	30	<b>30</b>
Governance costs	-	20	<b>20</b>
	<b>63</b>	<b>1,828</b>	<b>1,891</b>

**2016**

	Generating Funds £'000	Teaching, Research & Residential £'000	<b>2016 Total £'000</b>
Financial administration	51	472	<b>523</b>
Domestic administration	31	150	<b>181</b>
Human resources	1	54	<b>55</b>
IT	5	146	<b>151</b>
Depreciation	36	796	<b>832</b>
Governance costs	4	14	<b>18</b>
	<b>128</b>	<b>1,632</b>	<b>1,760</b>

Finance and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity. Depreciation costs and fixed asset impairment are attributed in full to the College's charitable activities, since it is for the support of those activities that the buildings, plant and equipment being depreciated are held. Interest and other finance charges are attributed according to the purpose of the related financing. Governance costs are allocated to the core charitable activity of research.

	<b>2017 £'000</b>	<b>2016 £'000</b>
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	<b>20</b>	<b>18</b>
	<b>20</b>	<b>18</b>

No amount has been included in Governance Costs for the direct employment costs or reimbursed expenses of the College Fellows on the basis that these payments relate to the Fellows' involvement in the College's charitable activities. Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

**Wolfson College**  
**Notes to the financial statements**  
**For the year ended 31 July 2017**

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**7 GRANTS AND AWARDS**

During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:

**Unrestricted funds**

Grants to individuals:

Scholarships, prizes and grants

Bursaries and hardship awards

Grants to other institutions

<b>2017</b>	<b>2016</b>
<b>Total</b>	<b>Total</b>
<b>£'000</b>	<b>£'000</b>
<b>252</b>	202
<b>30</b>	34
-	-
<b>282</b>	<b>236</b>

**Restricted funds**

Grants to individuals:

Scholarships, prizes and grants

Bursaries and hardship awards

Grants to other institutions

<b>214</b>	163
<b>3</b>	-
-	-
<b>217</b>	<b>163</b>
<b>499</b>	<b>399</b>

**Total grants and awards**

The above costs are included within the charitable expenditure on Teaching and Research.

**Wolfson College**  
**Notes to the financial statements**  
**For the year ended 31 July 2017**

**8 STAFF COSTS**

	<b>2017</b>	2016
	<b>£'000</b>	£'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	<b>2,872</b>	2,690
Social security costs	<b>249</b>	191
Pension costs:		
Defined benefit schemes	<b>447</b>	405
Defined contribution schemes	-	-
Other benefits	-	-
	<b>3,568</b>	3,286

The average number of employees of the College, excluding Trustees, was as follows:

	<b>2017</b>	2016
Tuition and research	<b>32</b>	27
College residential	<b>92</b>	92
Fundraising	<b>2</b>	2
Support	<b>12</b>	11
Total	<b>138</b>	132

The average number of employed College Trustees during the year was as follows.

	<b>2017</b>	2016
University Lecturers	-	-
CUF Lecturers	-	-
Other teaching and research	<b>55</b>	58
Other	<b>2</b>	2
Total	<b>57</b>	60

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration of employees who are also Trustees is included as a separate note in these financial statements.

The number of employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

	<b>2017</b>	2016
£60,001 - £70,000	-	1

The number of the above employees with retirement benefits accruing was as follows:

	<b>2017</b>	2016
In defined benefits schemes	-	1
In defined contribution schemes	-	-

	<b>2017</b>	2016
	<b>£'000</b>	£'000
The College contributions to defined contribution pension schemes totalled	-	-

**Wolfson College**  
**Notes to the financial statements**  
**For the year ended 31 July 2017**

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**9 TANGIBLE FIXED ASSETS**

<b>Group and College</b>	<b>Freehold land and buildings £'000</b>	<b>Fixtures, fittings and equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At start of year	27,423	1,928	<b>29,351</b>
Additions	145	60	<b>205</b>
Disposals	(13)	(1,160)	<b>(1,173)</b>
<b>At end of year</b>	<b>27,555</b>	<b>828</b>	<b>28,383</b>
<b>Depreciation</b>			
At start of year	7,183	1,503	<b>8,686</b>
Charge for the year	734	141	<b>875</b>
On disposals	(13)	(1,154)	<b>(1,167)</b>
<b>At end of year</b>	<b>7,904</b>	<b>490</b>	<b>8,394</b>
<b>Net book value</b>			
<b>At end of year</b>	<b>19,651</b>	<b>338</b>	<b>19,989</b>
At start of year	20,240	425	<b>20,665</b>

**Wolfson College**  
**Notes to the financial statements**  
**For the year ended 31 July 2017**

**10 PROPERTY INVESTMENTS**

	Agricultural £'000	Commercial £'000	Other £'000	<b>2017 Total £'000</b>	2016 Total £'000
Valuation at start of year	2,130	1,899	7,500	<b>11,529</b>	13,329
Transfer from other investments	-	-	66	<b>66</b>	-
Additions and improvements at cost	-	1	-	<b>1</b>	-
Disposals net proceeds	(649)	-	-	<b>(649)</b>	(1,715)
Revaluation gains/(losses) in the year	489	-	-	<b>489</b>	(85)
<b>Valuation at end of year</b>	<b>1,970</b>	<b>1,900</b>	<b>7,566</b>	<b>11,436</b>	<b>11,529</b>

A formal valuation of the agricultural properties was prepared by TW Gaze LLP as at 18 April 2013. This valuation was updated at November 2016 as advised by TW Gaze LLP upon change of tenancy circumstances.

Formal valuations of the commercial properties, and the main property included in other property, were prepared by Savills at October 2013 and November 2014 respectively.

**11 OTHER INVESTMENTS**

All investments are held at fair value.

	<b>2017 £'000</b>	2016 £'000
<b>Investments</b>		
Valuation at start of year	<b>33,352</b>	32,814
Transfer to property investments	<b>(66)</b>	-
New money invested	<b>3,735</b>	-
Amounts withdrawn	<b>(88)</b>	(468)
Reinvested income	<b>57</b>	-
Investment management fees	<b>(126)</b>	(147)
(Decrease)/increase in value of investments	<b>4,366</b>	1,153
<b>Investments at end of year</b>	<b>41,230</b>	<b>33,352</b>

<b>Investments comprise:</b>	Held outside the UK £'000	Held in the UK £'000	<b>2017 Total £'000</b>	Held outside the UK £'000	Held in the UK £'000	2016 Total £'000
Equity investments	26,088	-	<b>26,088</b>	17,650	8,088	25,738
Global multi-asset funds	-	5,255	<b>5,255</b>	-	-	-
Property funds	917	3,600	<b>4,517</b>	341	3,538	3,879
Fixed interest stocks	2,325	-	<b>2,325</b>	-	2,411	2,411
Alternative and other investments	388	3	<b>391</b>	438	69	507
Fixed term deposits and cash	2,654	-	<b>2,654</b>	-	817	817
<b>Total group investments</b>	<b>32,372</b>	<b>8,858</b>	<b>41,230</b>	<b>18,429</b>	<b>14,923</b>	<b>33,352</b>

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**12 SUBSIDIARY UNDERTAKINGS**

Wolfson College holds 100% of the share capital of Wolfson College Developments Limited. This company has been inactive for many years other than the administration costs of retaining it as a registered company. The net assets of the company are £2 and the company has not been consolidated in these accounts on the grounds of immateriality.

**13 STATEMENT OF INVESTMENT TOTAL RETURN**

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from February 2014. The investment return to be applied as income is calculated as up to 3% of the average of the year-end values of the relevant investments of the last year. The preserved (frozen) value of the invested endowment capital represents its open market value in 31 July 2015 together with all subsequent endowments valued at date of gift.

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
<b>At the beginning of the year:</b>					
Gift component of the permanent endowment	17,733	-	17,733	-	17,733
Unapplied total return	-	363	363	-	363
Expendable endowment	-	-	-	20,725	20,725
<b>Total Endowments</b>	<b>17,733</b>	<b>363</b>	<b>18,096</b>	<b>20,725</b>	<b>38,821</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	1,177	-	1,177	-	1,177
Recoupment of trust for investment	-	-	-	-	-
Allocation from trust for investment	-	-	-	-	-
Investment return: dividends and interest	-	307	307	340	647
Investment return: realised and unrealised gains and losses	-	1,842	1,842	2,042	3,884
Less: Investment management costs	-	-	-	-	-
Other transfers	-	-	-	3	3
<b>Total</b>	<b>1,177</b>	<b>2,149</b>	<b>3,326</b>	<b>2,385</b>	<b>5,711</b>
Unapplied total return allocated to income in the reporting period	-	(306)	(306)	(616)	(922)
Expendable endowments transferred to income	-	-	-	-	-
	-	(306)	(306)	(616)	(922)
<b>Net movements in reporting period</b>	<b>1,177</b>	<b>1,843</b>	<b>3,020</b>	<b>1,769</b>	<b>4,789</b>
<b>At end of the reporting period:</b>					
Gift component of the permanent endowment	18,910	-	18,910	-	18,910
Unapplied total return	-	2,206	2,206	-	2,206
Expendable endowment	-	-	-	22,494	22,494
<b>Total Endowments</b>	<b>18,910</b>	<b>2,206</b>	<b>21,116</b>	<b>22,494</b>	<b>43,610</b>

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**14 DEBTORS**

	<b>2017</b>	2016
	<b>£'000</b>	£'000
<b>Amounts falling due within one year:</b>		
Trade debtors	<b>82</b>	164
Amounts owed by College members	<b>86</b>	286
Loans repayable within one year	<b>7</b>	4
Prepayments and accrued income	<b>1,080</b>	169
Other debtors	<b>9</b>	-
	<b>1,264</b>	623

Prepayments and accrued income at 31 July 2017 includes legacy balances amounting to £875k.

**15 CREDITORS: falling due within one year**

	<b>2017</b>	2016
	<b>£'000</b>	£'000
Bank overdrafts	-	356
Trade creditors	<b>293</b>	540
Amounts owed to College Members	<b>162</b>	-
Taxation and social security	<b>70</b>	70
Accruals and deferred income	<b>405</b>	668
Other creditors	<b>31</b>	36
	<b>961</b>	1,670

**16 FUNDS OF THE COLLEGE MOVEMENTS**

	At 1 August 2016 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2017 £'000
<b>Endowment Funds - Permanent</b>						
General purposes	14,724	240	-	(240)	1,443	<b>16,167</b>
Jeremy Black Fund	753	15	-	(13)	89	<b>844</b>
Isaiah Berlin Academic Fund	705	14	-	(14)	83	<b>788</b>
Assyriology Scholarship Fund	653	13	-	(13)	77	<b>730</b>
Marcel & Tessa Hornik Trust Fund	352	7	-	(7)	42	<b>394</b>
Guy Newton Fund	348	7	-	(7)	41	<b>389</b>
Norman Hargreaves-Mawdsley Fund	238	5	-	(5)	28	<b>266</b>
Godfrey Lienhardt Fund	216	4	-	(5)	26	<b>241</b>
Sir Ronald Syme Memorial Fund	62	2	-	(1)	7	<b>70</b>
Ghazarian Fund	21	-	-	-	3	<b>24</b>
Anthony Aris Lecture Fund	24	8	-	(1)	3	<b>34</b>
Geoffrey Garton Fund	-	1,019	-	-	-	<b>1,019</b>
Isaiah Berlin Lecture Fund	-	150	-	-	-	<b>150</b>
<b>Endowment Funds - Expendable</b>						
General purposes	20,223	330	-	(605)	1,982	<b>21,930</b>
Charter Fund	354	7	-	(7)	43	<b>397</b>
Marcel & Tessa Hornik Trust Fund	148	-	-	(148)	-	<b>-</b>
Semetic Philology Endowment	-	3	-	147	17	<b>167</b>
<b>Total Endowment Funds</b>	<b>38,821</b>	<b>1,824</b>	<b>-</b>	<b>(919)</b>	<b>3,884</b>	<b>43,610</b>

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**16 FUNDS OF THE COLLEGE MOVEMENTS (continued)**

	At 1 August 2016 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2017 £'000
<b>Restricted Funds</b>						
<b><i>Revenue funds of endowments:</i></b>						
Jeremy Black Fund	45	-	(15)	14	-	44
Isaiah Berlin Academic Fund	223	-	(1)	14	-	236
Assyriology Scholarship	6	-	(13)	13	-	6
Marcel & Tessa Hornik Trust Fund	-	-	-	155	-	155
Guy Newton Fund	167	-	(7)	7	-	167
Norman Hargreaves-Mawdsley Fund	60	-	(1)	5	-	64
Godfrey Lienhardt Fund	58	-	(2)	5	-	61
Sir Ronald Syme Memorial Fund	6	-	(2)	1	-	5
Ghazarian Fund	6	-	-	-	-	6
Anthony Aris Lecture Fund	-	-	(1)	1	-	-
Charter Fund	337	-	(66)	46	-	317
<b><i>Other restricted income funds:</i></b>						
Oxford Centre for Life Writing	686	156	(112)	2	-	732
Semitic Philology Scholarship	250	-	-	(147)	-	103
Beazley Archive Trust	24	-	-	-	-	24
Isaiah Berlin Legacy Project	12	50	(38)	1	-	25
Ancient World Fund	122	61	(46)	-	-	137
Egyptology Scholarship Fund	35	21	(28)	3	-	31
Mougins Ashmolean Fellowship Fund	106	-	(33)	-	-	73
Mougins Ashmolean Scholarship	3	-	-	(3)	-	-
Ti-Se Foundation Fund	118	-	(24)	-	-	94
Law Justice & Society Fellowship Fund	47	63	(56)	-	-	54
Harrison Scholarship Fund	51	25	(21)	-	-	55
Ancient History Scholarship Fund	40	-	(13)	-	-	27
Ancient Documents Scholarship Fund	26	-	-	-	-	26
I C Gandy Fund	15	-	-	-	-	15
Assyriology Research Fund	5	-	-	-	-	5
Coulson Visiting Fellowship Fund	2	-	-	1	-	3
Littman Vermes Scholarship Fund	13	10	(15)	-	-	8
Pakistan Lecture Series	7	5	(5)	-	-	7
Law Justice & Society Cluster	-	16	(4)	-	-	12
Korean Studies	75	-	(20)	-	-	55
Innovation Network Fund	35	6	(11)	-	-	30
Grants & Awards Fund	7	3	-	-	-	10
Gardens Fund	6	-	-	(6)	-	-
Stallworthy Poetry Fund	5	5	-	-	-	10
Development Specific Funds	7	-	-	-	-	7
Berggruen Fellowship Fund	-	203	(40)	-	-	163
Quantum Research Cluster	-	21	(9)	5	-	17
Tibetan & Himalayan Cluster	-	9	(16)	7	-	-
Other specific donations	-	8	(8)	-	-	-
Library Fund	-	1	-	-	-	1
<b>Total Restricted Funds</b>	<b>2,605</b>	<b>663</b>	<b>(607)</b>	<b>124</b>	<b>-</b>	<b>2,785</b>



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**16 FUNDS OF THE COLLEGE MOVEMENTS (continued)**

	At 1 August 2016 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2017 £'000
<b>Unrestricted Funds</b>						
General reserves - main fund	4,315	5,837	(6,832)	1,306	971	<b>5,597</b>
General reserves - fixed assets	11,703	-	-	(11,703)	-	-
Oxford Marriott Scholarship Fund	2,791	-	(150)	150	-	<b>2,791</b>
Common Room Fund	267	-	-	28	-	<b>295</b>
Sundry designated reserves	17	-	-	(13)	-	<b>4</b>
Fixed asset designated funds	8,962	-	-	11,027	-	<b>19,989</b>
Pension reserve	(880)	-	(11)	-	-	<b>(891)</b>
<b>Total Unrestricted Funds</b>	<b>27,175</b>	<b>5,837</b>	<b>(6,993)</b>	<b>795</b>	<b>971</b>	<b>27,785</b>
 <b>Total Funds</b>	 <b>68,601</b>	 <b>8,324</b>	 <b>(7,600)</b>	 <b>-</b>	 <b>4,855</b>	 <b>74,180</b>

**17 FUNDS OF THE COLLEGE DETAILS**

The following is a summary of the origins and purposes of each of the Funds

**Endowment Funds - Permanent:**

General purposes	A consolidation of gifts and donations where income, but not capital, can be used for the general purposes of the charity.
Jeremy Black Fund	Fund established by a bequest from Dr Jeremy Allen Black and supplemented by further funds donated at the time of his death. Original funds are required to be preserved. Income of the fund is for a scholarship supporting Sumarian and Akkadian research.
Isaiah Berlin Academic Fund	Fund established in 1989 to commemorate the College's founding President's 80th birthday. The funds were raised to support Isaiah Berlin research. Subsequent funds raised for this purpose have been added to the original funds.
Assyriology Scholarship Fund	Fund established to endow a scholarship for the study of Assyriology.
Marcel & Tessa Hornik Trust Fund	Fund established from the Lincombe Lodge Research Library Trust and includes the Hornik Library collection. Income from the fund may be spent in a variety of areas including expenses of the library, and supporting research in a number of subjects.
Guy Newton Fund	Fund endowed in 1975 from the EPA Cephalosporia Fund. The deed limits expenditure on subjects to be studied to chemical, biological and medical research and states that the endowment should be preserved.
Norman Hargreaves-Mawdsley Fund	Fund established by a bequest from Mrs Josefina Hargreaves-Mawdsley in memory of her son. Income is to be used to finance research in specific arts subject areas.
Godfrey Lienhardt Fund	Fund established in 1994 from a legacy and subscription on the death of Godfrey Lienhardt. Capital to be preserved and income is to be used for scholarships in social anthropology and Sub-Saharan Africa.
Sir Ronald Syme Memorial Fund	Fund established in memory of Sir Ronald Syme to support research into the classics.
Ghazarian Fund	Fund established in 2006 by a donation from Professor Ghazarian to secure in perpetuity an annual grant in support of research in the history and culture of Christianity in the Mediterranean basin, 400-1500 A.D.
Anthony Aris Lecture Fund	Fund established as an endowment to fund an annual lecture in Tibetan & Himalayan Studies.
Geoffrey Garton Fund	Fund established in 2017 by a legacy from Dr Geoffrey Garton. Income from the fund to be used to support College activities including arts, music concerts and gardens.
Isaiah Berlin Lecture Fund	Fund established in 2017 from a specific gift to create the endowment. Income from the fund to be used to support the annual Isaiah Berlin lecture.

## 17 FUNDS OF THE COLLEGE DETAILS (continued)

### Endowment Funds - Expendable:

General purposes	A consolidation of gifts and donations where either income, or income and capital, can be used for the general purposes of the charity.
Charter Fund	Fund established in 1981, the income of which supports various stipendary research fellowships. Funds have been regularly added by the College to supplement to income balance available to spend.
Semetic Philology Endowment	Fund established towards endowing expenditure in the study of Semitic Philology.

### Restricted Funds:

Restricted funds of endowments	Income generated from specific purpose endowments not spent and available for future costs of specified purposes.
Other restricted income funds	Gifts and donations that must be applied in support of other specified College activities.

### Designated Funds

Fixed asset designated fund	Unrestricted funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes.
Oxford Marriott Scholarship Fund	Allocation of funds to generate an income to be used towards match funded scholarships in conjunction with the University of Oxford.
Common Room Fund	Unrestricted funds allocated by the College for the costs of providing social, sporting and cultural activities for College members.
Pension reserve	Unrestricted funds which are represented by the College's pension fund liabilities.

The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.

## 18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017 Total £'000
<b>2017</b>				
Tangible fixed assets	19,989	-	-	<b>19,989</b>
Property investments	4,936	-	6,500	<b>11,436</b>
Other investments	3,548	1,741	35,941	<b>41,230</b>
Net current assets/(liabilities)	203	1,044	1,169	<b>2,416</b>
Pension fund liability	(891)	-	-	<b>(891)</b>
	<b>27,785</b>	<b>2,785</b>	<b>43,610</b>	<b>74,180</b>
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2016 Total £'000
<b>2016</b>				
Tangible fixed assets	20,665	-	-	<b>20,665</b>
Property investments	-	-	11,529	<b>11,529</b>
Other investments	3,456	2,605	27,291	<b>33,352</b>
Net current assets/(liabilities)	3,935	-	-	<b>3,935</b>
Pension fund liability	(880)	-	-	<b>(880)</b>
	<b>27,176</b>	<b>2,605</b>	<b>38,820</b>	<b>68,601</b>

## 19 TRUSTEES' REMUNERATION

The trustees of the college comprise the Governing Body Fellows, many of whom are research and teaching employees of the University of Oxford and who sit on Governing Body by virtue of their University and College duties.

No trustee receives any remuneration for acting as a trustee. However, those trustees who are also employees of the College receive salaries for their work as employees. Governing Body Fellows receive a stipend for their support of the academic functions of the College. All salaries are subject to review by the College's Remuneration & Personnel Committee. The composition of the Remuneration Committee is set out in the Report of the Governing Body, Officers and Advisers.

There are also 5 trustees (President, Vicegerent, Bursar, Senior Tutor, Development Director) who work full or part time on management and fundraising.

Some trustees receive allowances for additional work carried out as part-time college officers (Secretary to the Governing Body, Fellow for Library & Archives, Deans of Degrees, Editor of the College Record, Directors of Academic Clusters). These amounts are included within the remuneration figures below.

### Remuneration paid to trustees

Range	2017		2016	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions	Number of trustees	Gross remuneration, taxable benefits and pension contributions
		£		£
£1 - £999	1	438	0	0
£2,000 - £2,999	44	124,527	42	115,800
£3,000 - £3,999	3	10,509	2	6,577
£4,000 - £4,999	2	8,606	1	4,555
£5,000 - £5,999	0	0	2	11,530
£6,000 - £6,999	1	6,656	1	6,024
£7,000 - £7,999	1	7,532	1	7,814
£9,000 - £9,999	0	0	2	19,412
£15,000 - £15,999	1	15,022	0	0
£38,000 - £38,999	0	0	1	37,922
£45,000 - £45,999	1	45,971	0	0
£60,000 - £60,999	0	0	1	60,796
£65,000 - £65,999	0	0	1	65,709
£94,000 - £94,999	0	0	1	94,558
£96,000 - £96,999	1	96,582	0	0
£97,000 - £97,999	1	97,082	0	0
£110,000 - £110,999	0	0	1	110,833
£119,000 - £119,999	1	119,494	0	0
Total	57	532,419	56	541,530

All trustees may eat at common table, as can other employees who are entitled to meals while working.

### Other transactions with trustees

No trustee claimed expenses for any work performed in discharge of duties as a trustee.

Note 26 provides further information on related party transactions.

### Key management remuneration

The total remuneration paid to key management was £410k (2016: £374k).

Key management are considered to be the President, the Bursar, the Senior Tutor and the Development Director.

## 20 PENSION SCHEMES

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and pensionable salary) and until April 2016 were contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. The schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

Both schemes are in deficit. The College has recognised a provision of £891k (2016: £880k) for the present value of the estimated future deficit funding element of the contributions payable for the agreed deficit funding plan. In calculating these provisions the College has estimated that salary expense will increase at 2% p.a. and the liability is discounted at a corporate bond rate of 1.55% for OSPS and 1.9% for USS. A sensitivity analysis to changes in salary and discount rate changes is shown towards the end of this note.

In the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme. However, in OSPS the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

### Actuarial valuations

Qualified actuaries periodically value the USS and OSPS schemes using the 'projected unit method', embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results of the latest valuations and the determination of the contribution levels are for the two schemes shown in the following table.

	USS	OSPS
Date of valuation:	31/03/2014	31/03/2016
Date valuation results published:	24/07/2015	28/04/2017
Value of liabilities:	£46.9bn	£661m
Value of assets:	£41.6bn	£528m
Funding surplus / (deficit):	(£5.3bn) <sup>a</sup>	(£133m) <sup>b</sup>
Principal assumptions:		
· Investment return	5.2%pa <sup>c</sup>	-
· Rate of interest (periods up to retirement)	-	'Gilts' + 1.2%pa
· Rate of interest (periods up after retirement)	-	'Gilts' + 1.2%pa
· Rate of increase in salaries	RPI + 1%pa <sup>d</sup>	RPI + 1%pa
· Rate of increase in pensions	CPI pa <sup>d</sup>	Average RPI/CPI pa
Mortality assumptions:		
· Assumed life expectancy at age 65 (males)	24.2 yrs	22.4 yrs
· Assumed life expectancy at age 65 (females)	26.3 yrs	24.7 yrs
Funding Ratios:		
· Technical provisions basis	89%	80%
· Statutory Pension Protection Fund basis	82%	67%
· 'Buy-out' basis	54%	42%
· Estimated FRS 102 Total Funding level	77%	82%
Recommended employer's contribution rate (as % of pensionable salaries):	18% <sup>e</sup>	23% decreasing to 19% from 01/08/2017 <sup>f</sup>
Effective date of next valuation:	31/03/2017	31/03/2019

**20 PENSION SCHEMES (continued)**

a. USS's actuarial valuation as at 31 March 2014 takes into account the revised benefit structure effective 1 April 2016 agreed both by the Joint Negotiating Committee and the Trustee in July 2015 following the Employers' consultation which concluded in June 2015. Key changes agreed include: for Final Salary section members, the benefits built up to 31 March 2016 were calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forwards will be revalued in line with increases in official pensions (currently CPI); all members accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary each year of service in respect of salary up to a salary threshold, initially £55,000 p.a., with the threshold applying from 1 October 2016; member contributions are 8% of salary; a defined contribution benefit for salary above the salary threshold at the total level of 20% of salary in excess of the salary threshold; and optional additional contributions payable into the defined contribution section from 1 October 2016 of which the first 1% of salary is matched by the employer. Further details about the changes may be reviewed on USS' website, [www.uss.co.uk](http://www.uss.co.uk). For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established a long term employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 2.1% p.a. of salaries. At 31 March 2016 USS reported that the funding deficit was £10.0 bn (83% funded). The valuation as at 31 March 2017 is underway.

b. OSPS' actuarial valuation as at 31 March 2016 identified a required long-term employer contribution rate of 17.3% of total pensionable salaries, with a funding deficit of £133 m. The valuation results reflect a number of changes to benefits that were agreed following an Employers' consultation in early 2017, including from 1 April 2017 a change in indexation based on the average of RPI and CPI, from 1 October 2017 a defined contribution section for new entrants and from 1 April 2018 breaking the final salary link for certain members and increased employee contributions. The actuary has certified that the recovery plan should eliminate the deficit by 30 June 2027. The next triennial valuation is due with an effective date of 31 March 2019.

c. USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years.

d. USS' actuary has assumed that general pay growth will be CPI in year 1, CPI + 1% in year 2 and RPI + 1% pa thereafter. It is assumed that CPI is based on the RPI assumption (market derived price inflation of 3.6% p.a less an inflation risk premium) less RPI/CPI gap of 0.8% p.a.

e. As noted above (note a) the USS employer contribution rate is 18% of salaries from 1 April 2016. Prior to that date it was 16% of salaries. The total employer contributions include provisions for the cost of future accrual of defined benefits (DB) (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer contribution towards defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section.

f. As noted above (note b), the OSPS employer contribution rate required for future service benefits in the defined benefit section alone is 17.3% of total pensionable salaries from 1 April 2018. The employer contribution rate was 23% from 1 August 2016 to 31 July 2017. It was agreed that employer contribution rate would be 19% for both defined benefits members and defined contributions members who join on or after 1 October 2017. Part of contribution for defined contribution members would be paid to the defined benefit section to cover the deficit recovery plan, the provision of ill-health and death-in service benefits and the expenses of administering the defined contribution section.

## **20 PENSION SCHEMES (continued)**

### **Sensitivity of actuarial valuation assumptions**

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

#### **USS**

<i>Assumption</i>	<i>Change in assumption</i>	<i>Impact on USS liabilities</i>
Initial discount rate	increase / reduce by 0.25%	decrease / increase by £0.8bn
Discount rate in 20 years' time	increase / reduce by 0.25%	decrease / increase by £1.1bn
RPI inflation	increase / reduce by 0.1%	increase / decrease by £0.8bn
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £0.5bn

#### **OSPS**

<i>Assumption</i>	<i>Change in assumption</i>	<i>Impact on OSPS technical provisions (from 80% funded at 31/03/2016)</i>
Valuation rate of interest	decrease by 1.0%	68%
Rate of pension increases	increase by 1.0%	69%
Life expectancy	more prudent assumption (life expectancy increases by 3 years)	72%

### **Pension charge for the year**

The pension charge recorded by the College during the accounting period was equal to the contributions payable after allowance for the deficit recovery plan as follows:

<b>Scheme</b>	<b>2017</b>	<b>2016</b>
	£'000	£'000
Universities Superannuation Scheme	254	177
University of Oxford Staff Pension Scheme	193	228
Other schemes – contributions	0	0
Supplementation payments	0	0
<b>Total</b>	<b>447</b>	<b>405</b>

Included in other creditors and accruals are pension contributions payable of £nil.

## **21 TAXATION**

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary companies because the directors of these companies have indicated that they intend to make donations each year to the College equal to the taxable profits of each company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

**Wolfson College**  
**Notes to the financial statements**  
**For the year ended 31 July 2017**

**22 FINANCIAL INSTRUMENTS**

	<b>Note</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
<b>Financial assets</b>			
<i>Measured at fair value</i>			
Other investments	11	41,230	33,352
<i>Measured at undiscounted amount receivable</i>			
Trade debtors and amounts owed by College members	14	168	450
Cash at bank	24	1,947	4,852
<b>Financial liabilities</b>			
<i>Measured at undiscounted amount payable</i>			
Trade creditors and amounts owed to College members	15	455	540

**23 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS**

	<b>2017 £'000</b>	<b>2016 £'000</b>
<b>Net income/(expenditure)</b>	5,579	2,492
<b>Elimination of non-operating cash flows:</b>		
Investment income	(1,060)	(1,220)
(Gains)/losses in investments	(4,855)	(1,068)
Endowment donations	(1,177)	(657)
Financing costs	30	-
Depreciation	875	833
(Profit)/loss on sale of fixed assets	6	-
Decrease/(Increase) in stock	(36)	(1)
Decrease/(Increase) in debtors	(641)	(169)
(Decrease)/Increase in creditors	(353)	114
(Decrease)/Increase in pension scheme liability	11	-
<b>Net cash provided by (used in) operating activities</b>	<b>(1,621)</b>	<b>324</b>

**24 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2017 £'000</b>	<b>2016 £'000</b>
Cash at bank and in hand	1,947	4,852
Bank overdrafts	-	(356)
<b>Total cash and cash equivalents</b>	<b>1,947</b>	<b>4,496</b>

## **25 CAPITAL COMMITMENTS**

The College had contracted commitments at 31 July for future capital projects totalling £0k (2016: £0k).

## **26 RELATED PARTY TRANSACTIONS**

The College is part of the collegiate University of Oxford. Material interdependencies between the University and of the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102.

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.

The College has properties with the following net book values owned jointly with trustees under joint equity ownership agreements between the trustee and the College.

	<b>2017</b>	2016
	<b>£'000</b>	£'000
Total net book value of properties owned jointly with trustees	<b>66</b>	66
	<b>66</b>	66

All joint equity properties are subject to sale on the departure of the trustee from the College. The trustee pays rent to the College on the College owned share at the assessed market rate.

## **27 CONTINGENT LIABILITIES**

There are no contingent liabilities that require disclosure.

## **28 POST BALANCE SHEET EVENTS**

There are no post balance sheet events that require disclosure.